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STATE OF IOWA

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David A. Vaudt, CPA
Auditor of State

NEWS RELEASE

FOR RELEASE May 23, 2011

Contact: Andy Nielsen
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Auditor of State David A. Vaudt today released a report on the Iowa Department for the Blind for the year ended June 30, 2010.

The Iowa Department for the Blind is a statewide organization offering specialized, integrated services which blind and severely visually impaired Iowans need to live independently and work competitively.

Vaudt recommended the Department ensure GAAP package information reported is complete and accurate, including the proper reporting of capital assets. The Department responded corrective action is being implemented.

A copy of the report is available for review in the Iowa Department for the Blind, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1160-1310-0R00.pdf>.

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**REPORT OF RECOMMENDATIONS TO THE
IOWA DEPARTMENT FOR THE BLIND**

JUNE 30, 2010

Office of
**AUDITOR
OF STATE**
State Capitol Building • Des Moines, Iowa



David A. Vaudt, CPA
Auditor of State



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May 20, 2011

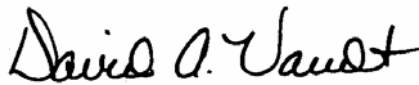
To Karen Keninger, Director of the
Iowa Department for the Blind:

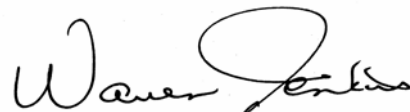
The Iowa Department for the Blind is a part of the State of Iowa and, as such, has been included in our audits of the State's Comprehensive Annual Financial Report (CAFR) and the State's Single Audit Report for the year ended June 30, 2010.

In conducting our audits, we became aware of certain aspects concerning the Department's operations for which we believe corrective action is necessary. As a result, we have developed recommendations which are reported on the following pages. We believe you should be aware of these recommendations pertaining to the Department's internal control. These recommendations have been discussed with Department personnel and their responses to these recommendations are included in this report. While we have expressed our conclusions on the Department's responses, we did not audit the Iowa Department for the Blind's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials and employees of the Iowa Department for the Blind, citizens of the State of Iowa and other parties to whom the Iowa Department for the Blind may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Department during the course of our audits. Should you have questions concerning the above matters, we shall be pleased to discuss them with you at your convenience. Individuals who participated in our audits of the Department are listed on page 6 and they are available to discuss these matters with you.


DAVID A. VAUDT, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

cc: Honorable Terry E. Branstad, Governor
David Roederer, Director, Department of Management
Glen P. Dickinson, Director, Legislative Services Agency

Report of Recommendations to the
Iowa Department for the Blind
June 30, 2010

Finding Reported in the State's Single Audit Report:

No matters were noted.

Findings Reported in the State's Report on Internal Control:

No matters were noted.

Findings Related to Internal Control:

- (1) Financial Reporting – The Department records receipts and disbursements on the Integrated Information for Iowa (I/3) system throughout the year, including the accrual period. Activity not recorded on the I/3 system is reported to the Iowa Department of Administrative Services – State Accounting Enterprise (DAS-SAE) on a GAAP package. The GAAP package is to be submitted to DAS-SAE by the first week of September each year. The following were noted:

- a) The Department overstated the amount of accounts receivable by \$639,922.
- b) The Department overstated the amount of deferred revenues by \$57,316.
- c) The GAAP package was not reviewed by an independent individual prior to submission.

Recommendation – The Department should ensure the GAAP package information reported is complete and accurate and independently reviewed.

Response – The Department will implement this recommendation.

Conclusion – Response accepted.

- (2) Capital Assets – Chapter 7A.30 of the Code of Iowa requires each department of the state to maintain a written, detailed and up-to-date inventory of property under its charge and control. The following were noted:

- a) Accumulated depreciation and depreciation expense for buildings and building improvements were overstated by a net amount of \$146,198.
- b) Accumulated depreciation and depreciation expense for equipment and vehicles were understated by a net amount of \$6,118.
- c) One equipment addition totaling \$6,885 was not included on the capital asset listing.
- d) Capital asset equipment deletions and a resulting gain on the sale of equipment were understated \$10,651 and \$2,200, respectively.
- e) One of 13 assets selected for testing was not tagged with a state property tag.

Report of Recommendations to the

Iowa Department for the Blind

June 30, 2010

Recommendation – The Department should ensure capital assets are properly recorded and all assets are properly tagged.

Response – The Department will implement this recommendation.

Conclusion – Response accepted.

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Report of Recommendations to the

Iowa Department for the Blind

June 30, 2010

Staff:

Questions or requests for further assistance should be directed to:

Suzanne R. Dahlstrom, CPA, Manager
Dorothy O. Stover, Staff Auditor
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Samantha J. Brinks, Staff Auditor, CPA
Jennifer M. Kopp, Staff Auditor
Brett A. Hoffman, Assistant Auditor